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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
January 1968

Volume 12

Number 6

Released Pursuant to §1090.27(j) and §1090.85 USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

PRODUCER MILK BASES - 1968

Federal Order milk bases for producers will be announced by February 29, 1968. Milk Bases were established during September 1967 thru January 1968. These bases are to be used for calculating payment to producers for milk deliveries during March thru July 1968. If you do not receive your Milk Base Notice soon after March 1, 1968, please notify the Market Administrator.

MARKET SUMMARY - JANUARY 1968

The Chattanooga Order MINIMUM uniform producer price is \$5.73 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5% test.

In January 1968, 81.1% of the producer milk received by pool plants was priced in Class I at \$6.20 per cwt. and 18.9% was priced in Class II at \$4.01 per cwt. The January butterfat differential for Class I was 8.8 cents and Class II was 7.6 cents.

Total producer milk received during January 1968 was 18,232,761 pounds which is an increase of 199,617 pounds or 1.1% compared with January 1967. The January daily average deliveries per farm from 546 producers was 1,077 pounds. This compares to 568 farms delivering a daily average of 1,024 pounds per day during January 1967.

MILK SAMPLES TESTED - Producer Fresh Samples 4,412 - Handler Finished Products 169.

USDA SETS HEARINGS IN MEMPHIS ON ALL 74 FEDERAL MILK ORDERS

The U. S. Department of Agriculture has scheduled two important national public hearings, February 19 and February 23, 1968, on Federal milk marketing orders. Both hearings will be held at the Chisca Plaza Hotel, 272 S. Main St., Memphis, Tennessee.

The February 19th hearing will consider proposals to amend or extend all 74 Federal milk marketing orders to cover filled or imitation milk, as well as milk in its natural form. Filled milk is a product containing skim milk, or skim milk reconstituted from nonfat dry milk, with added vegetable fat in place of the natural butterfat. Other so-called imitation milk products may rely on sodium caseinate or other sources for their protein and on vegetable sources for sugar and fats.

The principal issue of the national hearing beginning February 23rd will be the consideration of proposals to extend temporary Class I prices made effective last year. Without the requested extension, Class I prices in most markets would decline after April 1968. The termination date is April 30 for certain temporary price factors, including 20 cents in the Class I price differential and a minimum basic formula of \$4.05 per hundredweight. In a few markets using economic price formulas, comparable action is requested.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Jan. '68 over Jan. '67	Jan. 1968 9	Dec. 1967 9	Jan. 1967 9
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 1.1	588,154	584,841	581,714
Other Source	+ 46.0	24,061	21,278	16,483
Other Federal Orders	+ 145.7	117,350	115,794	47,764
TOTAL MILK RECEIPTS	+ 12.9	729,565	721,913	645,961
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 2.4	383,234	366,011	374,308
Skim - Regular	+ 15.1	18,992	17,770	16,502
Skim - 2% Milk	+ 47.9	37,658	36,670	25,463
Buttermilk	+ 9.8	42,402	41,301	38,614
Flavored Milk and Drink	+ 10.9	12,332	11,491	11,116
Creams (Sweet and Sour)	+ 13.0	2,770	3,685	2,451
Sub-Total - Pkg. Products (Pool Plants)	+ 6.2	497,388	476,928	468,454
Other (Shrinkage, Inventory, etc.)		2,224	19,172	2,399
Sales to Non-Pool Plants		61,708	37,515	32,821
In-Area Sales by Non-Pool Plants		1,670	1,916	4,709
TOTAL CLASS I MILK	+ 10.7	562,990	535,531	508,383
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 16.4	32,233	27,242	27,694
Cottage Cheese	+ 8.6	30,684	28,506	28,261
Powdered and Condensed Milk		45,341	70,758	21,621
Livestock Feed and Skim Dumped		6,569	6,010	5,373
Sub-Total - Used to Produce	+ 38.4	114,827	132,516	82,949
Shrinkage Class II		9,743	11,401	9,595
Other (Inventory Variation, etc.)		7,023	14,897	9,022
Bulk Sales to Non-Pool Plants		34,982	27,568	36,012
TOTAL CLASS II MILK	+ 21.1	166,575	186,382	137,578
Class I Pounds in Area - Pool Plants	- 1.8	298,571	306,208	304,108
Class I Pounds Out of Area - Pool Plants	+ 31.7	262,749	227,407	199,566
Class I Pounds in Area - Non-Pool Plants		1,670	1,916	4,709
% Producer Milk of Gross Class I		104.5	109.2	114.4
% Producer Milk Priced in Class I		81.1	78.0	80.5

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per § 1090.51(a) Amended</u>	<u>Feb. '68</u>	<u>Jan. '68</u>	<u>Feb. '67</u>
Basic Formula	\$4.05	\$4.05	\$4.26
Plus Class I Differential ^{1/}	1.95	1.95	1.75
Supply-Demand Adjustment	0.20	0.20	0.04
Class I Price, 3.5% Butterfat	\$6.20	\$6.20	\$6.05

FEBRUARY 1968

Supply-Demand Comparison: 2nd and 3rd preceding months: November and December

Supply: Lbs. Producer Milk (Nov. 17,397,941 and Dec. 18,130,081) 35,528,022

Demand: Lbs. Net Class I Milk (Nov. 16,594,408 and Dec. 16,542,062) 33,136,470

Utilization Percentage: Producer milk divided by Class I 107

Standard Utilization Percentage: Range 117-121 117

Net Deviation Percentage: Utilization minus Standard Utilization Minus 10

Supply-Demand Adjustment: 2 cents x 10 percentage points Plus \$0.20

^{1/} Increased 20 cents - May 1967 through April 1968.

COMPUTATION OF PRODUCER UNIFORM PRICE

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JANUARY 1968	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		17,452,672	3.531		
Less Other Source		2,670,860	3.259		
Producer Milk Class I	81.1	14,781,812	3.580008	\$6.270407	\$ 926,879.77
Gross Class II		5,163,829	5.789		
Less Other Source		1,712,880	3.898		
Producer Milk Class II	18.9	3,450,949	6.727599	6.462975	223,033.97
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,232,761	4.175758		1,149,913.74
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		306,950			13,841.32
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,970.31
TOTAL VALUE AT TEST		18,539,711	4.132761	6.309297	1,169,725.37
Less Test Over 3.5% @ 8.4¢ per point		18,539,711	.632761	0.531519	98,542.09
TOTAL UTILIZATION VALUE AT 3.5%		18,539,711	3.5	5.777778	1,071,183.28
Less Producer-Settlement Fund Reserve		18,539,711		.047778	8,857.90
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,539,711	3.5	\$5.73	\$1,062,325.38

JANUARY 1968 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.31	3.6	\$5.814	4.2	\$6.318	4.8	\$6.822	5.4	\$7.326
3.05	5.352	3.65	5.856	4.25	6.36	4.85	6.864	5.45	7.368
3.1	5.394	3.7	5.898	4.3	6.402	4.9	6.906	5.5	7.41
3.15	5.436	3.75	5.94	4.35	6.444	4.95	6.948	5.55	7.452
3.2	5.478	3.8	5.982	4.4	6.486	5.0	6.99	5.6	7.494
3.25	5.52	3.85	6.024	4.45	6.528	5.05	7.032	5.65	7.536
3.3	5.562	3.9	6.066	4.5	6.57	5.1	7.074	5.7	7.578
3.35	5.604	3.95	6.108	4.55	6.612	5.15	7.116	5.75	7.62
3.4	5.646	4.0	6.15	4.6	6.654	5.2	7.158	5.8	7.662
3.45	5.688	4.05	6.192	4.65	6.696	5.25	7.20	5.85	7.704
3.5	5.73	4.1	6.234	4.7	6.738	5.3	7.242	5.9	7.746
3.55	5.772	4.15	6.276	4.75	6.78	5.35	7.284	5.95	7.788

POUNDS OF PACKAGED CLASS I MILK PRODUCTS WHICH CONTAIN VEGETABLE FAT
 PROCESSED AND DISTRIBUTED BY HANDLERS UNDER ORDER 131

Date	Product Pounds	Date	Product Pounds
October 1966	437,908	April 1967	893,710
November	597,143	May	964,325
December	625,566	June	933,267
January 1967	691,082	July	989,015
February	769,317	August	1,185,345
March	944,733	September	1,391,733
		October	1,546,885

The above schedule shows the growth of filled milk product sales in a Federally regulated milk market, Central Arizona, from October, 1966 through October, 1967. The 1,546,885 pounds in October, 1967 represented approximately 5 percent of the total fluid milk and skim milk sales of the market. These sales were made by fully regulated handlers and did not include those made by partially regulated handlers or producer-distributors.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'67	\$5.62	-	-	8.2¢	\$6.09	8.6¢	\$3.90	7.6¢
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 ^{2/}	\$5.54	\$3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 ^{2/}	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 ^{2/}	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	5.47 ^{2/}	5.68	3.33	8.2	6.16	8.6	3.37	7.6
July	5.56 ^{2/}	5.76	3.33	8.2	6.24	8.6	3.37	7.6
Aug.	5.67	-	-	8.4	6.24	8.6	3.97	7.7
Sept.	5.71	-	-	8.4	6.16	8.7	3.97	7.7
Oct.	5.63	-	-	8.4	5.98	8.7	3.98	7.7
Nov.	5.57	-	-	8.4	5.98	8.7	4.00	7.6
Dec.	5.65	-	-	8.4	6.14	8.6	4.04	7.8
Jan.'68	5.73	-	-	8.4	6.20	8.8	4.01	7.6
Feb.	-	-	-	-	6.20	8.6	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92° Butter	Minn/Wisc. Chi.Area Mfg. Milk	Powder	Basic ^{4/} Formula	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Jan.'67	66.47	4.08	19.57	4.26	468,006	3.54	113,708	6.97
Feb.	66.47	4.02	19.46	4.15	451,595	3.50	107,190	6.89
Mar.	66.46	4.01	19.48	4.15	477,073	3.49	125,680	6.04
Apr.	66.45	3.98	19.47	4.05	463,179	3.50	180,580	4.97
May	66.47	3.96	19.44	4.05	458,593	3.51	152,870	5.28
June	66.47	3.96	19.47	4.05	444,378	3.46	140,548	5.30
July	66.47	3.95	19.46	4.05	427,640	3.50	128,838	5.27
Aug.	67.07	3.97	19.46	4.05	427,213	3.49	135,298	5.13
Sept.	67.13	3.97	19.37	4.05	482,438	3.47	113,367	5.97
Oct.	66.59	3.98	19.42	4.05	493,777	3.58	96,943	6.71
Nov.	66.48	4.00	19.50	4.05	470,450	3.57	109,481	6.66
Dec.	67.69	4.04	19.46	4.05	456,371	3.49	128,470	6.37
Jan.'68	66.44	4.01	19.42	4.05	476,833	3.58	111,321	6.73

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Jan.'67	9	645,961	508,383	568	581,714	-	4.21	1,024	-	-
Feb.	9	623,312	489,998	550	558,785	-	4.15	1,016	-	-
Mar.	9	680,040	518,872	562	602,753	554,123	4.02	1,073	986	87
Apr.	9	721,150	500,924	555	643,759	566,415	3.91	1,160	1,021	139
May	9	686,775	497,821	552	611,463	553,010	3.96	1,108	1,002	106
June	8	674,624	483,482	552	584,926	533,490	3.90	1,060	967	93
July	8	625,871	467,337	549	556,478	510,262	3.91	1,014	930	84
Aug.	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-
Sept.	9	688,881	539,805	551	595,805	-	3.95	1,081	-	-
Oct.	9	717,502	575,169	550	590,720	-	4.09	1,074	-	-
Nov.	9	718,857	554,957	549	579,931	-	4.16	1,056	-	-
Dec.	9	721,913	535,531	548	584,841	-	4.12	1,067	-	-
Jan.'68	9	729,565	562,990	546	588,154	-	4.18	1,077	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendments

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MARKETING AREA

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States and Counties	December 1967				December 1966			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	397,003	2.19	16	800	332,109	1.86	18	595
Bradley	2,974,462	16.41	106	905	3,056,222	17.13	111	888
Coffee	107,370	.59	3	1,154	91,433	.51	3	983
Cumberland	194,432	1.07	5	1,254	209,663	1.17	6	1,127
Franklin ^{1/}	1,562,580	8.62	44	1,096	1,514,734	8.49	46	1,013
Grundy ^{1/}			2				2	
Hamilton	1,482,911	8.18	33	1,450	1,600,561	8.97	37	1,395
Loudon	413,601	2.28	11	1,213	402,651	2.26	12	1,082
Marion	301,570	1.66	15	649	390,084	2.19	17	740
McMinn	4,246,382	23.42	135	1,015	4,005,907	22.45	140	923
Meigs	804,465	4.44	28	927	731,402	4.10	25	944
Monroe	411,917	2.27	9	1,476	412,839	2.31	9	1,480
Polk	623,373	3.44	19	1,058	569,018	3.19	18	1,020
Rhea	478,157	2.64	21	734	438,045	2.45	19	744
Sequatchie	524,173	2.89	14	1,208	578,540	3.24	17	1,098
Total	14,522,396	80.10	461	1,016	14,333,208	80.32	480	963
<u>GEORGIA</u>								
Catoosa	1,006,471	5.55	22	1,476	951,342	5.32	26	1,180
Fannin	108,365	.60	4	874	86,799	.49	4	700
Gilmer	121,368	.67	5	783	94,423	.53	5	609
Murray	187,648	1.03	3	2,018	195,900	1.10	3	2,106
Walker	877,501	4.84	23	1,231	869,923	4.88	25	1,122
Whitfield	933,303	5.15	23	1,309	873,708	4.90	22	1,281
Others ^{2/}	168,723	.93	3	1,814	177,191	.99	3	1,905
Total	3,403,379	18.77	83	1,323	3,249,266	18.21	88	1,191
<u>ALABAMA</u>								
Cherokee			2				2	
DeKalb			1				1	
Jackson			1				1	
Total ^{3/}	204,306	1.13	4	1,648	261,711	1.47	4	2,111
TOTAL MARKET	18,130,081	100.00	548	1,067	17,844,205	100.00	572	1,006

^{1/} Two producers in Grundy County included with Franklin County.

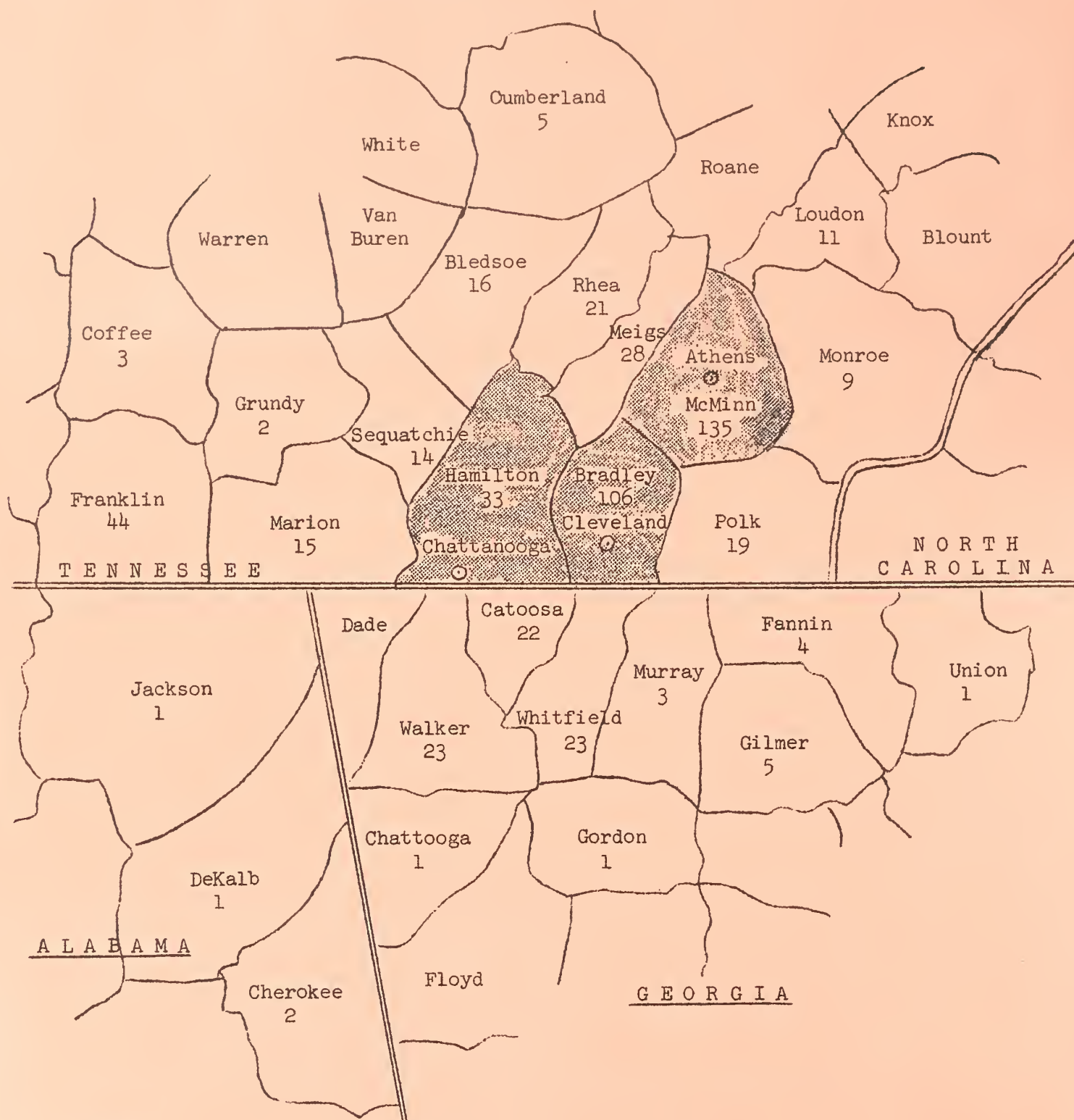
^{2/} Includes one producer in each Chattooga, Gordon, and Union Counties.

^{3/} Alabama totals shown since information is restricted by counties.

CHATTANOOGA MARKETING AREA POOL PLANTS - DECEMBER 1967

Pool Plants	County	Plant Location
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Sealtest Foods	Hamilton	Chattanooga, Tennessee

CHATTANOOGA AREA MILKSHED - DECEMBER 1967



CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 90 includes all the territory within the boundaries of Bradley, Hamilton, and McMinn Counties Tennessee. The milkshed includes counties listed and number of producers per county as of December 1967. There was a total of 548 producers delivering milk to the Chattanooga market during December 1967.